

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 916

Introduced by Kremer, 34; Baker, 44; Fischer, 43; Wehrbein, 2

Read first time January 5, 2006

Committee: Agriculture

A BILL

1 FOR AN ACT relating to the Competitive Livestock Markets Act;
2 to amend section 54-2601, Reissue Revised Statutes
3 of Nebraska, and section 54-2603, Revised Statutes
4 Cumulative Supplement, 2004; to state findings; to
5 provide duties for the Director of Agriculture;
6 to provide applicability provisions; to harmonize
7 provisions; and to repeal the original section.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 54-2601, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 54-2601 Sections 54-2601 to 54-2631 and section 3 of this
4 act shall be known and may be cited as the Competitive Livestock
5 Markets Act.

6 Sec. 2. Section 54-2603, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 54-2603 The Legislature finds that family farmers and
9 ranchers have been experiencing, with greater frequency, severely
10 depressed livestock market prices. These market conditions are
11 disproportionately affecting independent producers, which make
12 up the majority of farms and ranches, and are threatening the
13 economic stability of Nebraska's rural communities. The Legislature
14 further finds that packer concentration, vertical integration,
15 and contractual arrangements are undermining the system of price
16 discovery. In the absence of any meaningful federal response
17 to the conditions described, the purpose of the Competitive
18 Livestock Markets Act is to increase livestock market price
19 transparency, ensuring that producers can compete in a free and
20 open market. This is accomplished by establishing minimum price
21 and contract reporting requirements, eliminating volume premiums
22 and volume-based incentives, scrutinizing livestock production
23 contracts and marketing agreements, and statutorily reinforcing
24 the constitutional prohibition against the ownership, keeping, or
25 feeding of livestock by packers for the production of livestock or

1 livestock products.

2 The Legislature further finds that the mandatory
3 reporting of price and other terms in negotiated or contract
4 procurement of livestock that has been in place under the federal
5 Livestock Mandatory Reporting Act of 1999 is an important reform of
6 livestock markets that contributes to greater market transparency,
7 enhances the ability of livestock sellers to more competently
8 and confidently market livestock, and lessens the existence
9 of conditions under which market price manipulation and unfair
10 preference or advantage in packer procurement practices can occur.
11 It is a purpose of the Competitive Livestock Markets Act to provide
12 for the continuation of mandatory price reporting for the benefit
13 of Nebraska producers and protection of the integrity of livestock
14 markets in Nebraska in the event of termination of the Livestock
15 Mandatory Reporting Act of 1999 and its preemption of similar
16 state price reporting laws as well as to provide for an orderly
17 implementation of the state price reporting system authorized by
18 the Competitive Livestock Markets Act, should Congress fail to
19 reauthorize the Livestock Mandatory Reporting Act of 1999.

20 Sec. 3. (1) Sections 54-2607 to 54-2627 are preempted by
21 the Livestock Mandatory Reporting Act of 1999, 7 U.S.C. sections
22 1635 to 1636h, when such federal act is in effect.

23 (2) If Congress does not reauthorize the Livestock
24 Mandatory Reporting Act of 1999 before December 1, 2006, the
25 director shall, on December 1, 2006, or as soon before or after

1 as practicable, prepare a budget and an appropriation request from
2 the General Fund, from the Competitive Livestock Markets Cash Fund,
3 or from other cash funds under the control of the director, for
4 submission to the Legislature in an amount sufficient to enable
5 the department to carry out its duties under sections 54-2607 to
6 54-2627, and such sections shall become applicable on October 1,
7 2007.

8 If, on or after December 1, 2006, Congress does not
9 reauthorize the Livestock Mandatory Reporting Act of 1999, the
10 director shall prepare such budget and appropriation request on
11 or before a date that is twelve calendar months after the date
12 such federal act expires or is terminated, and such sections shall
13 become applicable on the first day of the calendar quarter that is
14 eighteen months after the date such sections are not preempted by
15 the federal act.

16 Sec. 4. Original section 54-2601, Reissue Revised
17 Statutes of Nebraska, and section 54-2603, Revised Statutes
18 Cumulative Supplement, 2004, are repealed.